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INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 1696-039]

ASSIGNMENT OF LEASE
AND AGREEMENT

Dated as of April 1, 1980

Between

CHEMICAL BANK,
Lessor,

and

LA SALLE NATIONAL BANK,
Vendor.

ASSIGNMENT OF LEASE AND AGREEMENT dated as of April 1, 1980, between CHEMICAL BANK, a New York banking corporation (the "Lessor"), and LA SALLE NATIONAL BANK, a national banking association, as Agent (the "Vendor") under a Participation Agreement dated as of the date hereof (the "Participation Agreement").

WHEREAS the Lessor is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with each of PULLMAN INCORPORATED (Pullman Standard Division ("Pullman")) and THRALL CAR MANUFACTURING COMPANY ("Thrall") and NORTH AMERICAN CAR CORPORATION ("NAC") providing for the sale to NAC by Pullman and Thrall, and the conditional sale to the Lessor by NAC of such units of railroad equipment described in Annex B thereto as are accepted by NAC and the Lessor thereunder (the "Units");

WHEREAS the Lessor and PEAVEY COMPANY (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the leasing by the Lessor to the Lessee of the Units;

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Investors named in the Participation Agreement to invest in the CSA Indebtedness (as defined in Paragraph 4.3(b) of the CSA), the Lessor agrees to assign for security purposes certain of its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor under the CSA, all the Lessor's right, title and interest, powers, privileges and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise, except (i) any indemnity or other amounts paid or payable to the

Lessor pursuant to § 6, 12, 20 or 30 of the Lease which is not required to be paid over under the CSA to the Vendor; provided, however, that if an event of default under the CSA or an Event of Default under the Lease shall have occurred, no amount shall be paid to the Lessor under § 30 of the Lease until the CSA Indebtedness shall have been paid in full or such Event of Default shall have been cured in accordance with the CSA, and (ii) any liability insurance proceeds payable to the Lessor pursuant to § 7 of the Lease (such moneys being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, so long as no event of default or event which with the lapse of time and/or demand provided for in the CSA could constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid to the Lessor on the same date such Payment is received by the Vendor (or on the next succeeding business day if funds are not timely received by the Vendor) to satisfy such obligations of the Lessor by bank wire to the Lessor at such address as may be specified to the Vendor in writing, and such balance shall be retained by the Lessor. If the Vendor shall not receive any Payment when due, the Vendor shall immediately notify the Lessor by telephone and confirm such notice in writing to the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA, except for the right to cure a monetary default in accordance with the CSA.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assign-

ment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides is to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void; provided, however, that the Vendor shall be deemed to have consented to any agreement in writing between the Lessee and the Lessor increasing or decreasing the rentals and casualty values payable pursuant to §§ 3 and 7 of the Lease so long as the amounts payable thereunder are not reduced below those necessary to satisfy the obligations of the Lessor under the CSA. If an event of default should occur under the CSA which would entitle the Vendor to terminate the Lease, the Vendor may terminate the Lease or rescind its termination without affecting the indemnities which by the provisions of the Lease survive the expiration of its term, all as provided in the Lease.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor. Promptly following such full discharge and satisfaction, the Vendor agrees that it will advise the Lessee in writing that all sums due from the Lessor under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Vendor.

6. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

7. The Vendor may assign all but not less than all of the rights assigned to it hereby or arising under the Lease, including the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

8. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

9. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor. The Vendor shall furnish to the Lessor such information as shall be reasonably requested by the Lessor in order to permit the Lessor to act under the Lease or to prepare its tax returns.

10. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no event of default under the CSA has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the CSA, the Lessor may, so long as no event of default under the CSA

has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Lessor shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease.

11. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

CHEMICAL BANK,

by

[Corporate Seal]

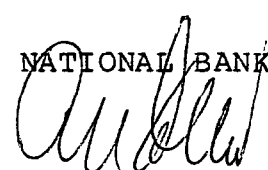
Vice President

Attest:

Assistant Secretary

LA SALLE NATIONAL BANK, as Agent,

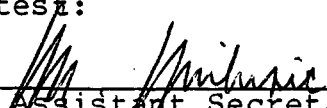
by



Vice President

[Seal]

Attest:



Assistant Secretary

has occurred and is then continuing, exercise or enforce, or seek to exercise or enforce, its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Lessor shall not, without the prior written consent of the Vendor, terminate the Lease or otherwise exercise or enforce, or seek to exercise or enforce, any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease.

11. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Vendor shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

CHEMICAL BANK,

by

Jeffrey B. Rert
Vice President

[Corporate Seal]

Attest:

Attest: Bruce L. Rasmussen
Assistant Secretary

LA SALLE NATIONAL BANK, as Agent,

by

Vice President

[Seal]

Attest:

Assistant Secretary

STATE OF NEW YORK,)
) ss.:
 COUNTY OF NEW YORK,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of CHEMICAL BANK, a New York banking corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

On this *19th* day of *May* 1980, before me personally appeared *R. K. WEBER*, to me personally known, who, being by me duly sworn, says that he is a Vice President of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.


Patricia M. Kennedy
 Notary Public

[Notarial Seal]

My Commission expires My Commission Expires August 24, 1982

STATE OF NEW YORK,)
) ss.:
 COUNTY OF NEW YORK,)

On this 19 day of MAY 1980, before me personally appeared Jeffrey B. Reitman, to me personally known, who, being by me duly sworn, says that he is a Vice President of CHEMICAL BANK, a New York banking corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.


 Notary Public
 HELEN J. BURNETTE
 Notary Public, State of New York
 No. 41-5535200
 Qualified in Queens County
 Certificate filed in New York County
 Commission Expires March 30, 1982

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

On this day of 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Vice President of LA SALLE NATIONAL BANK, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

 Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

The undersigned, PEAVEY COMPANY, a Minnesota corporation (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) due and to become due under the Lease directly to LA SALLE NATIONAL BANK, as Agent (the "Vendor"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Lessee by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the State of Minnesota and, for all purposes, shall be construed in accordance with the laws of said State.

PEAVEY COMPANY,

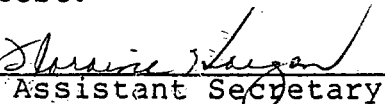
by



Vice President

[Corporate Seal]

Attest:


Assistant Secretary